

Memorandum of Understanding

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- 1. The *Robinson* Plaintiffs have agreed to accept a total of \$1,400,000 (the "Settlement Amount") to settle *Robinson*, et al. v. Big City Yonkers, Inc., et al., Index No. 600159/2016 (Sup. Ct. Nassau County) ("Robinson") for a NY CPLR Article 9 class of current or former delivery drivers who worked for Defendants in New York between January 11, 2010 and the date that Diligent took over responsibility for dispatching drivers at each location (approximately 1,649 individuals) ("Class Members").
- 2. Defendants agree to pay \$1,000,000 of the Settlement Amount into escrow on July 15, 2017 and the parties will negotiate a payment schedule and appropriate security interests for the remainder. The Settlement Amount includes reasonable attorneys' fees, cost of administration, and reasonable service awards to named plaintiffs. No other money will be paid by Defendants except that, if the number of actual Class Members exceeds 1,649 individuals, then the Settlement Amount shall be proportionately increased, on a pro rata basis. Defendants agree that this agreement supersedes and replaces the *Cando* Settlement Agreement.
- 3. The settlement shall be administered by a third party claims administrator agreed on by the parties and not owned by counsel for any party. Counsel shall obtain at least two competitive bids for claims administration.
- 4. The settlement releases all state wage-and-hour claims (which does not include retaliation claims) of all Class Members and all FLSA wage-and-hour claims (which does not include retaliation claims) for all Class Members who sign and cash settlement checks. The settlement checks shall contain the language contained in 4.1(A) of the *Cando* settlement agreement, *Cando*, et al. v. Big City Yonkers, Inc., et al., (E.D.N.Y.) ("Cando"), ECF No. 99-1 ("Cando Settlement Agreement").
- 5. The six individuals who filed NLRB charges will release Defendants (not Diligent) from liability for any claims arising from the facts underlying the NLRB charges.
- 6. This is a binding agreement that contains all material terms but is contingent on approval by the Honorable Denise L. Sher or another judge sitting in New York Supreme Court, Nassau County (the "Court"). This agreement is confidential except that it may be submitted to the *Robinson* court or the *Cando* court in connection with any dismissal or settlement approval proceedings.
- 7. Plaintiffs will apply for one-third of the Settlement Amount as attorneys' fees, an additional amount for actual costs and expenses, and an additional amount for reasonable service awards. Defendants will not oppose this application. This settlement is not contingent on the Court's approval of attorneys' fees, costs, or service awards. Plaintiffs who receive service awards will execute general releases. If *Robinson* and *Cando* counsel cannot achieve a negotiated result on or before May 15, 2017, the division of fees and costs between *Robinson* and *Cando* counsel will be determined through AAA arbitration (costs to be split evenly between *Robinson* and *Cando* counsel). Resolution of the attorneys' fees issue shall not delay approval of the settlement.
- 8. After 120 days, the amount of any uncashed class member checks will revert to

Defendants. The Claims Administrator shall take all reasonable efforts to ensure that each Class Member receives and cashes his or her settlement check, and that the checks are not cashed by any non-class members.

- 9. On or before May 15, 2017, Plaintiffs' counsel shall prepare and send to Defendants' Counsel a draft formal settlement agreement incorporating these terms. Thereafter, the parties shall promptly finalize and execute all settlement papers, so that Plaintiffs shall move for Court Approval on or before June 15, 2017. In the event the parties cannot agree to any terms in the final agreement (other than the attorneys' fees issue), their dispute shall be decided finally by Alfred Feliu serving as arbitrator.
- 10. Plaintiffs acknowledge that the settlement agreement will include other terms beyond those outlined above, including, by way of example and not limitation, acknowledgement that Defendants do not admit any liability or wrongdoing. Further, Plaintiffs acknowledge that the language used herein to describe certain terms of the agreement may be, and likely will be, drafted in different, more comprehensive language.
- 11. Notwithstanding any of the foregoing, this enforceability of agreement is contingent on counsel for the *Cando* Plaintiffs signing this agreement. By counsel signing this agreement, the *Cando* Plaintiffs agree to move to dismiss *Cando* and participate in this settlement in New York Supreme Court, Nassau County, and that the *Cando* Settlement Agreement is void and no longer in effect.

Nava J. Mush Hy for Defendants

Defendants

Counsel for Robinson Plaintiffs

This agreement was facilitated by a third-party neutral mediator, Alfred Feliu.

Alfred Felin

Dated: April 26, 2017

Counsel for Cando Plaintiffs